



Montana Crop & Livestock Reporter

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HIGHLIGHTS:

August 1 Crop Production
Cash Rents
Land Values
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August 1, 2006 Crop Production

Montana's **all wheat production** is expected to be 5 percent lower than last month's forecast and 17 percent lower than last year's crop. Based on August 1 conditions, producers expect to harvest 159.9 million bushels of all wheat, down from the 192.5 million bushels harvested last year, and 7.8 million bushels below July's forecast. The area for harvest is expected to be 5.2 million acres, unchanged from last month, but 1 percent below last year. This is the last forecast until the final small grains summary is published on September 29, 2006.

The forecasted **winter wheat** yield, at 42.0 bushels per acre, is up 2 bushels from July, but is 3 bushels per acre lower than last year. Production is forecast to be 81.9 million bushels, down from 94.5 million bushels last year, but up 3.9 million bushels from July. Acreage expected to be harvested is unchanged from the July forecast, but is down 150,000 acres from last year to 1,950,000 acres. For the week ending August 6, winter wheat was 91 percent harvested compared with 70 percent last year and the five-year average of 55 percent.

Spring wheat production forecast is 71.3 million bushels, down 13 percent from last year's production. The expected yield of 25.0 bushels per acre is down 3 bushels from last month and down 7 bushels from last year. Dry and hot conditions during July ripened the spring wheat crop quickly. Acres for harvest are unchanged from July at 2.9 million, but up 300,000 from last year. The crop was rated lower than this time last year at 16 percent very poor, 25 percent poor, 39 percent fair, 19 percent good, and 1 percent excellent. Ninety-seven percent of the crop was turning for the week ending August 6, compared with 91 percent last year and the 5-year average of 82 percent. Harvest is underway with 38 percent complete compared with 13 percent last year and 10 percent for the five-year average. **Durum wheat** production is forecast to be 6.7 million bushels, down 59 percent from last year, and down 32 percent from July. The expected yield of 17.0 bushels per acre is 8 bushels below last month, and 11 bushels fewer than the 2005 average. This will be the lowest yield since 1984 due to the hot and dry conditions. The crop was rated lower than this time last year at 22 percent very poor, 24 percent poor, 29 percent fair,

23 percent good, and 2 percent excellent. Harvested acres are down 32 percent from 2005 to 395,000.

Barley yields are expected to average 53.0 bushels per acre in 2006, 3 bushels below last year, and down 2 bushels per acre from July. Barley production is forecast to be 33.9 million bushels compared with 39.2 million produced last year. Growers expect to harvest 640,000 acres, down 60,000 from 2005. For the week ending August 6, barley condition was reported to be 5 percent very poor, 18 percent poor, 32 percent fair, 36 percent good, and 9 percent excellent. Harvest for the week ending August 6 was reported to be 33 percent complete compared with 13 percent last year and 12 percent for the five-year average.

Oat producers expect to harvest 1.3 million bushels of grain, 32 percent fewer than last year. The 2006 area for harvest is expected to be 30,000 acres, down 5,000 acres from 2005. The expected yield of 42.0 bushels is 11 bushels fewer than last year's yield, and down 4 bushels from July. As of August 6, the condition of the oat crop was reported to be 9 percent very poor, 20 percent poor, 31 percent fair, 34 percent good, and 6 percent excellent. Harvest was reported to be 42 percent complete compared with 20 percent last year and 13 percent for the five-year average.

Sugar beet production is forecast to be 1.4 million tons, up 24 percent from last year. The expected yield, at 26.5 tons per acre, is up 16 percent from the 22.9 tons per acre last year. This is a new record yield with the previous record of 25.4 set in 2003. Producers are expecting to harvest 53,500 acres, up 3,600 acres from last year. **All dry edible bean** growers expect to harvest 15,000 acres this year, up 6 percent from last year's figure, and up 25 percent from June. Yield is estimated at 19.0 cwt, 1.0 cwt per acre better than the previous year. All dry bean production is expected to be 285,000 cwt, up 1 percent from last year's figure.

Alfalfa hay is expected to yield 2.1 tons per acre in 2006, down 0.1 ton per acre from the previous year. Growers plan to harvest 1.65 million acres, down 100,000 acres from last year. Production is expected to reach 3.5 million tons, a 10 percent decrease from the 2005 production figure. As of August 6, 100 percent of first cutting and 53 percent of second cutting had been completed for alfalfa hay. The average yield for **other hay** is forecast to be 1.5 tons per acre, down 0.1 ton per acre from last year. Production of other hay is forecast at 1.7 million tons, an 18 percent decrease from 2005. As of August 6, 100 percent of first cutting and 44 percent of second cutting of other hay had been completed.

U.S. all wheat production, at 1.80 billion bushels, is down slightly from the July forecast and down 14 percent from 2005. Based on August 1 conditions, the U.S. yield is forecast at 38.3 bushels per acre, unchanged from last month but 3.7 bushels below last year.

In the United States, the **winter wheat** production is forecast at 1.28 billion bushels, up slightly from last month but 14 percent below 2005. Area harvested for grain totals 31.1 million acres, unchanged from last month but down 8 percent from last year. The U.S. yield is forecast at 41.2 bushels per acre, up 0.1 bushel from July 1. Hard Red production is down fractionally from a month ago at 660 million bushels. Soft Red is up 1 percent from last month and now totals 380 million bushels. White production totals 243 million bushels, down 1 percent from last month. Of the White production total, 19.9 million bushels are Hard White and 223 million bushels are Soft White.

U.S. other spring wheat production is forecast at 464 million bushels, down slightly from last month and 8 percent below 2005. Area harvested for grain totals 14.2 million acres, unchanged from last month but up 4 percent from last year. The U.S. yield is forecast at 32.7 bushels per acre, 0.2 bushel less than last month and down 4.4 bushels from 2005. Harvest progress in the six major producing States was 22 percent complete by July 30. This was 15 percentage points ahead of last year and 16 points ahead of the normal.

Durum wheat production for the U.S. is forecast at 54.7 million bushels, down 9 percent from last month and down 46 percent from 2005. The U.S. yield is forecast at 30.0 bushels per acre, 3.1 bushels less than last month and down 7.2 bushels from last year. Area harvested for grain totals 1.82 million acres, unchanged from last month but down 33 percent from last year. If realized, this will be the lowest harvested area since 1961 and the lowest production since 1988.

U.S. barley production for 2006 is forecast at 183 million bushels, 14 percent below 2005, four percent below the July 1 forecast, and the lowest production since 1936. Based on conditions as of August 1, the average yield is forecast at 61.2 bushels per acre, down 3.6 bushels from last year and 2.2 bushels below last month.

Oats production is forecast at 107 million bushels, 3 percent below the July 1 forecast and 6 percent below last year's 115 million bushels. If realized, this would be the lowest production on record. The U.S. yield is forecast at 56.3 bushels per acre, down 1.6 bushels from July 1 and 6.7 bushels from 2005. (continued on back page)

August 1, 2006 Crop Production Forecast, Montana and U.S.

Crop	Unit	Acres Planted		Acres Harvested		Yield		Production	
		2005	2006 1/	2005	2006 1/	2005	2006 1/	2005	2006 1/
		(000) Acres		(000) Acres				(000) Units	
Winter Wheat	Bu.	2,150	2,000	2,100	1,950	45.0	42.0	94,500	81,900
Durum Wheat	Bu.	590	400	585	395	28.0	17.0	16,380	6,715
Spring Wheat	Bu.	2,600	2,900	2,550	2,850	32.0	25.0	81,600	71,250
All Wheat	Bu.	5,340	5,300	5,235	5,195	36.8	30.8	192,480	159,865
Barley	Bu.	900	800	700	640	56.0	53.0	39,200	33,920
Oats	Bu.	90	65	35	30	53.0	42.0	1,855	1,260
Corn for Grain 2/	Bu.	65.0	60.0	17.0	19.0	148.0	4/	2,516	4/
Sugar Beets	Tons	53.9	53.6	49.9	53.5	22.9	26.5	1,143	1,418
Fall Potatoes	Cwt.	11.0	10.5	10.9	10.4	315.0	3/	3,434	3/
Dry Beans	Cwt.	18.0	18.0	14.1	15.0	20.0	19.0	282	285
Dry Peas	Cwt.	135.0	190.0	122.0	175.0	18.0	4/	2,196	4/
Lentils	Cwt.	150.0	140.0	146.0	130.0	12.8	4/	1,869	4/
Aus. Winter Peas	Cwt.	25.0	28.0	13.0	15.0	12.2	4/	159.0	4/
Canola	Lbs.	17.0	16.0	16.5	15.5	1,290	4/	21,285	4/
Flaxseed	Bu.	55	40	54	38	17.0	4/	25,810	4/
Safflower	Lbs.	30.0	35.0	29.0	33.0	890	4/	890	4/
Alfalfa Hay	Ton	--	--	1,750	1,650	2.20	2.10	3,850	3,465
All Other Hay	Ton	--	--	1,250	1,100	1.60	1.50	2,000	1,650
All Hay	Ton	--	--	3,000	2,750	1.95	1.86	5,850	5,115
UNITED STATES		(000) Acres		(000) Acres				(000) Units	
Winter Wheat	Bu.	40,433	41,393	33,794	31,108	44.4	41.2	1,499,129	1,283,134
Durum Wheat	Bu.	2,760	1,885	2,716	1,822	37.2	30.0	101,105	54,710
Spring Wheat	Bu.	14,036	14,595	13,609	14,154	37.1	32.7	504,456	463,511
All Wheat	Bu.	57,229	57,873	50,119	47,084	42.0	38.3	2,104,690	1,801,355
Barley	Bu.	3,875	3,496	3,269	2,990	64.8	61.2	211,896	182,972
Oats	Bu.	4,246	4,312	1,823	1,907	63.0	56.3	114,878	107,423
Corn for Grain 2/	Bu.	81,759	79,366	75,107	72,091	147.9	152.2	11,112,072	10,975,740
Sugar Beets	Ton	1,299.8	1,361.9	1,242.9	1,344.2	22.2	23.7	27,537	31,835
Fall Potatoes	Cwt.	1,110.0	1,138.0	1,087.4	1,118.4	388	3/	422,209	3/
Dry Beans	Cwt.	1,665.0	1,607.3	1,568.6	1,519.0	17.4	15.3	27,350	23,301
Dry Peas	Cwt.	808.0	895.0	765.9	856.6	18.3	4/	14,003	4/
Lentils	Cwt.	450	420.0	439	402.0	11.7	4/	5,163	4/
Aus. Winter Peas	Cwt.	42.5	41.0	24.5	24.5	12.5	4/	307	4/
Canola	Lbs.	1,159.0	1,018.0	1,114.0	974.7	1,419	3/	1,580,985	3/
Flaxseed	Bu.	983	718	955	704	20.6	4/	9,695	4/
Safflower	Lbs.	165.0	221.0	160.0	212.0	1,203	4/	192,545	4/
Alfalfa Hay	Ton	--	--	22,389	22,407	3.38	3.18	75,771	71,205
All Other Hay	Ton	--	--	39,260	40,290	1.91	1.77	74,819	71,121
All Hay	Ton	--	--	61,649	62,697	2.44	2.27	150,590	142,326

1/ Preliminary. 2/ Planted for all purposes. 3/ Forecast available November 9, 2006. 4/ Forecast available January 12, 2007. -- Not published.

Cash Rents for 2006

The average cash rent for Montana cropland rose \$5.00 from last year to \$30.00 per acre. The average cash rent for irrigated cropland, at \$68.00, increased by \$15.00 per acre from a year ago. The non-irrigated cropland average increased \$1.00 from 2005 to \$20.50 per acre. Average pasture rents decreased from \$5.90 in 2005 to \$5.00 per acre in 2006.

Nationally, cash rents per acre paid to landlords for cropland rose 1.3 percent, while pasture rents increased 4.9 percent for the 2006 crop and grazing year. Cropland cash rents paid in 2006 averaged \$79.00 per acre, compared with \$78.00 per acre for 2005. Pasture cash rents averaged \$10.80 per acre, 50 cents higher than 2005. The increases in cropland and pasture rental rates continue to reflect producers' optimism following the combination of high production and price levels of major U.S. agricultural commodities in 2005.

Cropland cash rents reported in 2006 increased in all regions except the Appalachian, Delta, and Southern Plains regions where rental rates declined marginally. Appalachian cropland cash rents declined by \$2.00 from \$58.00 to

\$56.00 per acre in 2006. Delta cropland cash rents decreased by \$1.00 per acre to \$69.50 in 2006 while cropland cash rents in the Southern Plains decreased by \$1.50 to \$29.00 per acre for 2006. Cash rents for cropland in the Southeast region at \$48.00 per acre remained unchanged from last year. The Corn Belt and Northern Plains regions, which together accounted for slightly more than one-half of cash-rented cropland acreage, increased 1.7 percent and 0.9 percent, respectively, from 2005. Cropland cash rents increased \$2.00 per acre to \$119.00 in the Corn Belt and 50 cents per acre to \$53.50 in the Northern Plains.

The major corn and soybean producing states of Illinois, Indiana, and Iowa experienced increases ranging from 1.5 to 2.3 percent for cropland cash rents. Illinois and Iowa cropland cash rents averaged \$132.00 and \$133.00 per acre, respectively.

Cash rents for pasture land increased in all regions except the Southern Plains. Pasture cash rents increased by \$1.00 per acre to \$20.00 in the Southeast and by \$2.00 per acre to \$26.00 in the Northeast region. In the Northern Plains and Southern Plains regions, which account for two-thirds of the cash-rented pasture

acreage, changes were marginally higher and lower, respectively. Northern Plains cash rents for pasture increased 50 cents per acre to \$12.50 while cash rents for pasture decreased by 20 cents per acre to \$8.20 in the Southern Plains. Wisconsin, at \$38.00 per acre and unchanged from 2005, continues to lead the nation with the highest per acre pasture rent.

2006 Farm Real Estate Values

The average value of farm real estate in Montana on January 1, 2006 was \$760 per acre, up \$250 from 2005. The average value of cropland rose \$194 to \$846 per acre, compared with a year ago. The average value of irrigated cropland was \$2,800, an increase of \$800 from a year ago, while non-irrigated cropland gained \$140 per acre to \$630 per acre. Pasture values increased \$280 to \$650 per acre. Montana farm real estate values have been steadily increasing over the past seven years.

U.S. farm real estate values, a measurement of the value of all land and buildings on farms, averaged \$1,900 per acre on January 1, 2006, up 15 percent from 2005. The \$1,900 per acre is a record high and \$250 more than a year earlier. (continued on page three)

Cash Rents (continued from page two)

Nationally, cropland and pasture values rose by 13 and 22 percent, respectively, since January 1, 2005. Cropland values averaged \$2,390 per acre and pasture values averaged \$1,000 per acre on January 1, 2006, compared with \$2,110 and \$820 per acre, respectively, a year earlier.

The increase in farm real estate values continues to be driven by a combination of mostly nonagricultural factors, including relative low interest rates and strong demand for nonagricultural land uses. Demand for farm real estate as an investment continues to be a strong market influence.

Regional increases in the average value of farm real estate ranged from 8.9 percent in the Delta region to 35 percent in the Mountain region. The highest farm real estate values are in the Northeast region, where urban influences have pushed the average value to \$4,550 per acre. In the Corn Belt region farm real estate values rose 12 percent, to \$3,040 per acre. The Northern Plains region, with its expanse of pasture and rangeland, had the lowest farm real estate value, at \$834 per acre.

The Southeast region had the highest average increase in cropland value, at \$4,550, up \$890 per acre. In the Corn Belt region cropland values rose 12 percent, to \$3,230 per acre. The Lake States region also increased 12 percent, to \$2,550 per acre. Together, the Corn Belt and Lake

States regions account for nearly one-third of the U.S. total cropland acres.

The Southeast region had the highest average increase in pasture value, up \$1,510 per acre. In the Northern Plains, Southern Plains, Mountain, and Pacific regions (17 western states) pasture values per acre increased 15 percent, 24 percent, 54 percent, and 13 percent, respectively. Together, the 17 western states account for about 89 percent of the total pasture acres on farms in the 48 States.

June 2006 Ag Prices Received

June full month crop prices were mixed when compared with May 2006. Montana's winter wheat average price was \$4.12 per bushel, up \$0.10 from the previous month; spring wheat decreased \$0.36 to \$4.18 per bushel; and durum wheat prices increased \$0.12 to \$3.71 per bushel. Feed barley prices rose \$0.12 from the previous month to \$1.82, but malt barley prices were down \$0.18 to \$3.11 per bushel.

The mid-July price for alfalfa hay increased \$3.00 to \$68.00 per ton, and all other hay jumped \$7.00 to \$81.00 per ton. Mid-July grain prices were mostly higher with winter wheat averaging \$4.23 per bushel, spring wheat was \$4.57 per bushel, durum wheat was \$3.85 per bushel, and feed barley was \$1.74 per bushel.

Livestock prices for the full month of June were mixed when compared with the previous month. Steer and heifer prices

rose \$0.80 to \$99.60 per cwt, calves increased \$1.00 to \$127.00 per cwt, but cows decreased \$0.50 to \$49.30. Sheep prices dropped \$4.20 to \$24.00 per cwt, but lamb prices jumped \$14.70 to \$99.90 per cwt. Milk prices decreased \$0.30 per cwt from last month to \$12.10 per cwt. Steer and heifer prices for mid-July were \$104.00 per cwt; cows, \$47.20 per cwt; calves, \$118.00 per cwt; and milk prices, \$11.90 per cwt.

Nationally, prices for June and changes from May were as follows: winter wheat was down \$0.07 to \$3.99; spring wheat was \$4.18, unchanged; durum wheat was down \$0.13 to \$3.81; the all barley price was \$2.78 down \$0.18, and steer and heifer prices were \$88.50, up \$2.00 per cwt.

The U.S. mid-July winter wheat price was \$4.03 per bushel; spring wheat was \$4.63 per bushel; durum wheat was \$3.85 per bushel; all wheat was \$4.09 per bushel; malt barley was \$2.75 per bushel; feed barley was \$2.01 per bushel; and oats were \$1.89 per bushel. Steer and heifer prices were \$90.40 per cwt; cow prices were \$47.00 per cwt; calves were \$136.00 per cwt; all hog prices were \$49.40 per cwt; and all egg prices were \$0.456 per dozen.

Preliminary All Farm Products Index is up 1 point (0.9 percent) from July 2005. The Food Commodities Index, at 118, decreased 1 point (0.8 percent) from last month but was unchanged from July 2005.

United States Index Summary

INDEX (1990-92=100)	June 2005	July 2005	June 2006	July 2006
Prices Received	119	116	117	117
Prices Paid, Interest, Taxes, & Farm Wage Rates 1/	140	141	147	148
Ratio 2/	84	82	80	79

1/ Prices paid indexes (1990-92=100) published monthly. 2/ Ratio of index of prices received by farmers to index of prices paid.

Montana Average Farm Prices Received

Commodity	U N I T	Monthly Average				Change From Previous		Mid-Month Average	
		Montana			U.S.	Month	Year	Montana	U.S.
		June 2005	May 2006	June 2006	June 2006	May 2006	June 2006	July 15, 2006	July 15, 2006
		Dollars							
Winter Wheat	Bu.	3.34	4.02	4.12	3.99	+0.10	+0.78	4.23	4.03
Durum Wheat	Bu.	3.78	3.59	3.71	3.81	+0.12	-0.07	3.85	3.85
Spring Wheat	Bu.	3.69	4.54	4.18	4.18	-0.36	+0.49	4.57	4.63
All Wheat	Bu.	3.57	4.25	4.10	4.01	-0.15	+0.53	4.36	4.09
Barley, All	Bu.	2.91	3.21	2.95	2.78	-0.26	+0.04	3.01	2.46
Feed Barley	Bu.	1.60	1.70	1.82	2.08	+0.12	+0.22	1.74	2.01
Malt Barley	Bu.	3.32	3.29	3.11	3.05	-0.18	-0.21	3.20	2.75
Oats	Bu.	na	1.45	na	1.93	na	na	na	1.89
Alfalfa Hay	Ton	77.00	71.00	65.00	115.00	-6.00	-12.00	68.00	113.00
All Other Hay	Ton	67.00	73.00	74.00	90.10	+1.00	+7.00	81.00	89.30
All Hay Baled	Ton	76.00	71.00	66.00	109.00	-5.00	-10.00	70.00	107.00
Steers & Heifers	Cwt	106.00	98.80	99.60	88.50	+0.80	-6.40	104.00	90.40
Cows	Cwt	59.60	49.80	49.30	46.70	-0.50	-10.30	47.20	47.00
Beef Cattle 1/	Cwt	73.50	66.50	64.40	84.20	-2.10	-9.10	63.10	86.10
Calves	Cwt	131.00	26.00	127.00	133.00	+1.00	-4.00	118.00	136.00
Sheep	Cwt	39.60	28.20	24.00	28.60	-4.20	-15.60	na	na
Lambs	Cwt	137.00	85.20	99.90	92.00	+14.70	-37.10	na	na
All Milk	Cwt	14.80	12.40	12.10	11.90	-0.30	-2.70	11.90	11.90

1/ Composite of steers, heifers, and cows. na-not available.

Crop Production (continued from page one)

U.S. **dry edible bean** production is forecast at 23.3 million cwt in 2006, down 15 percent from last year but 31 percent above two years ago. Production is expected to be below last year in 11 of the 18 producing States. These decreases are mostly the result of lower yields. Ten of the 18 States also have lower harvested acreage than last year.

Alfalfa and alfalfa mixtures production at the U.S. level is forecast at 71.2 million tons, down 6 percent from last year. Yields are expected to average 3.18 tons per acre, down 0.20 ton from 2005. Harvested area is forecast at 22.4 million acres, unchanged from June but up fractionally from last year. Yields are forecast to be down across the Great Plains States, California, Iowa, Minnesota, Missouri, Virginia, and Washington. Extremely hot and dry weather has persisted this year throughout the Great Plains, severely hurting yield expectations for alfalfa hay.

U.S. **other hay** production is forecast at 71.1 million tons, down 5 percent from 2005. Based on August 1 conditions, yields are expected to average 1.77 tons, down 0.14 ton from last year. If realized, the yield would be the lowest since 1990. Harvested area, at 40.3 million acres, is unchanged from June but up 3 percent from the previous year.

U.S. **sugar beets** production for 2006 is forecast to be 31.8 million tons, 16 percent above last year's production. Growers in the 11 sugar beet producing States expect to harvest 1.34 million acres, up 2 percent from June and up 8 percent from last year. The yield is forecast at 23.7 tons per acre, 1.5 tons above 2005. If realized, this yield would tie the record high, set in 2000.

Sheep and Hog County Estimates Available

The January 1, 2006 county estimates for all sheep and December 1, 2005 county estimates for hogs and pigs and district estimates for chickens are available on our website at <http://www.nass.usda.gov/mt>.

The USDA, National Agricultural Statistics Service, Montana Field Office compiles the only annual county estimates for Montana. The county estimates are based on livestock surveys conducted at the

end of 2005 and beginning of 2006. Questionnaires were sent to a sample of farmers and ranchers throughout Montana asking for information on the livestock inventories. About 8,200 questionnaires were tabulated and summarized. Thank you to all the farmers and ranchers who participated in the survey!

U.S. Farm Production Expenditures Up 5.3 Percent in 2005

U.S. Farm Production Expenditures totaled \$223.1 billion in 2005, up 5.3 percent from the revised 2004 total of \$211.8 billion. The largest contributors to the increase were Fuels up 26.3 percent; Taxes up 14.3 percent; Fertilizer, Lime, and Soil Conditioners up 12.3 percent; Livestock and Poultry Purchases up 11.5 percent; Farm Services up 9.7 percent; and Interest up 9.0 percent.

Farm Production Expenditures for **Other Western States** (AZ, CO, ID, MT, NV, NM, OR, UT, WY) totaled \$23.2 billion up 12.5 percent from 2004 and accounting for 10.4 percent of the US Farm Production Expenditures. The largest contributors to the increase were Trucks & Autos up 54.2 percent; Seeds & Plants up 28.8 percent; Fertilizer, Lime, and Soil Conditioners up 26.9 percent; Fuels up 25.3 percent; Tractors & Self-Propelled Farm Machinery up 25.0 percent; Taxes up 18.5 percent; Labor up 16.3 percent; and Farm Supplies & Repairs up 16.1 percent.

The rise in fuel expenditures was expected given the 2005 rise in crude oil prices and increased global demand for oil. Hurricane damage had a large influence on fuel prices and supply this year. Higher crude oil prices pressured the cost of fuel, fertilizer, chemicals, and transportation. Diesel fuel expense was the largest of the fuel sub-components. Diesel was \$5.84 billion (57.8 percent) of the Fuels Expense. Gas was \$2.30 billion (22.8 percent). LP Gas was \$1.27 billion (12.6 percent). Other Fuels was \$690 million (6.8 percent).

Nationally, Feed and three other capital expenditure items were down in 2005. Feed was down 5.1 percent. Other Farm Machinery, Tractors and Self-propelled Machinery, and Trucks and Autos were down 4.7 percent, 2.3 percent and 2.1 percent, respectively. In **Other Western States** Farm Improvements & Construction was the only farm expenditure category to

decrease, dropping 10.6 percent.

The three largest expenditures at the U.S. and **Other Western States** levels were the same ones as last year. The largest was Farm Services with 13.2 percent of the U.S. and 14.7 percent of Other Western States; Feed 12.6 percent for U. S. and 12.8 percent of Other Western States; and Labor 10.7 percent for U. S. and 14.2 percent of Other Western States.

In 2005, the average U.S. Total Farm Expenditure was \$106,499 compared with \$100,498 as revised for 2004. On average, U.S. farm operations spent: \$14,034 on Farm Services, \$13,462 on Feed, \$10,216 on Livestock and Poultry Purchases, \$11,361 on Labor, and \$8,163 on Rent. The average **Other Western States** Total Farm Expenditure was 22 percent or \$23,641 above the average U.S. farm. The average **Other Western States** Total Farm Expenditure was up \$14,897 to \$130,140 for 2005. On average, **Other Western States** farm operations spent: \$19,104 on Farm Services, \$16,695 on Feed, \$13,725 on Livestock and Poultry Purchases, \$18,431 on Labor, and \$8,067 on Rent.

Average U.S. Total Expenditures for large farms (\$1 million and over in sales) was \$2.37 million, 3.6 times larger than the next largest economic class. Studying total expenditures by type of farm showed that crop farms, with Total Expenditures of \$114.3 billion, contributed 51.2 percent of the 2005 U.S. Farm Production Expenditures. Total Expenditures for crop farms were up 7.3 percent from the revised 2004 level of \$106.6 billion. Total Expenditures for livestock farms were \$108.8 billion, up 3.5 percent from the revised 2004 level of \$105.2 billion.

The largest expenditures for crop farms were Farm Services and Labor both at \$16.4 billion, accounting for 28.7 percent of their total expenses. The largest expenditures for livestock farms were Feed, at \$26.6 billion, and Livestock and Poultry Purchases, at \$19.5 billion. These two expenditures accounted for 42.3 percent of all their total expenses.

This report was released on August 3, 2006. For the complete report go to the NASS website at www.nass.usda.gov. On the line the Today's Reports from NASS, click on "more" to bring up the calendar for August.

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Cattle on Feed	

Peggy Stringer, Director
John Hilton, Deputy Director
Wendy Bruski, Statistical Info Assistant
10 W. 15th Street, Suite 3100, Helena, Montana 59626
406-441-1240 or 1-800-835-2612
www.nass.usda.gov/mt/ nass-mt@nass.usda.gov